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SUBJECT: TESTING ABE: BY-ELECTION IN OSAKA 9TH DISTRICT

NOTE: OSAKA IS POST OF ORIGIN FOR THIS TELEGRAM.
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NOTE

1. (SBU) Fast on the heels of the Liberal Democratic Party (LDP) Presidential election that launched the Abe Cabinet on September 26, Osaka is host to the first skirmish in a long Japanese political season leading to unified local elections next April and culminating in next July's Diet Upper House races. This will be the first test of the Abe Cabinet's electoral strategy in an opposition stronghold. Both the ruling coalition and opposition parties are devoting their full attention to turning the electoral tide in their favor next year by making their mark in this previously scheduled Lower House by-election in Osaka's 9th District, to replace LDP lawmaker Takeshi Nishida, who passed away after his election last fall. October 11 marked the official start of campaigning as the candidates were formally announced. Party leaders and heavy-hitters continue to make the rounds in the district, including scheduled visits by PM Abe on October 15 and former PM Koizumi on the 16th to mark the climax of the race.

CLASH OF THE TITANS

2. (SBU) The outcome of this race is important for the psychic victory and bragging rights it will give either PM Shinzo Abe or opposition Democratic Party of Japan (DPJ) strongman Ichiro Ozawa. All parties and pundits see this race as a harbinger of which party will prevail in next year's Upper House elections -- and since both Abe and Ozawa are staking their reputations on this race, many view this election as a measure of the lifespan of the Abe Cabinet and the viability of the DPJ as an effective opposition party. Given that the conventional wisdom holds that it is time for the electoral "balance" to shift away from the LDP and that this seat is considered "winnable" by the DPJ, the Democrats have more to lose if the LDP keeps the seat. The outcome hinges on LDP Secretary General Hidenao Nakagawa's election strategy, and whether junior coalition partner New Komeito has enough organizational muscle to make new inroads in neighborhoods in which it

has not been successful in the past. If not, DPJ will have put a dent in Abe's strong beginning and successfully test marketed its campaign messages for the Upper House elections.

THE CANDIDATES

13. (SBU) Although the race is largely seen as a fight between the leaders of the ruling coalition and the opposition, politics remains local in the 9th District and personalities still matter. The half-million member district, a bed-town to the north of Osaka City, is made up predominantly of young and middle-aged white collar commuters. 43-year-old Nobumori Otani (DPJ) represented this district for two terms until last year's electoral rout, and is from Ibaraki City, the population center of the district. The George Washington University-educated protege of DPJ Secretary General Yukio Hatoyama came out strong and fast in his attempt to recapture his old seat and he commands an early lead in the polls. A pro-American centrist candidate well known to the Consulate, he commented to poloff that he is running on "pocketbook issues" such as problems with healthcare insurance, the viability of the Japanese pension system, growing economic inequalities, and a dissatisfaction with the economic reforms under Koizumi.

14. (SBU) LDP candidate Kenji Harada, a 58-year-old second-generation politician whose father is a former political rival of the late Nishida, started his campaign late after the LDP Osaka Chapter and Party

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headquarters bickered over whether to accept his candidacy. Harada is from the smaller town of Minoo and referred to as an "outsider" by people in Ibaraki. Harada was booed during a speech warming up for the LDP Presidential candidates visiting Ibaraki in September. He is depending on Abe's coattails, the organizational support of Nakagawa and the LDP machine and, according to campaign manager and Dietmember from the neighboring 8th District Takashi Otsuka, Komeito's highly disciplined institutional voters. Since Osaka business organizations are loath to provide campaign contributions to political parties, they have told us they are under great pressure from the LDP to provide in-kind support in getting out the vote and offering free logistical services to the campaigners. His joint LDP-Komeito campaign headquarters sports glitzy displays of campaign slogans and photographs and personal messages from the Cabinet. Following the DPRK announcement that it had conducted a nuclear test on Monday, Secretary General Nakagawa asked voters to not "send the wrong message to North Korea" by dealing a defeat to the LDP.

15. (SBU) The Harada campaign claims to be closing in on Otani at the halfway point in the campaign, and poised to overcome him, but polls have not been published yet. A senior LDP Dietmember from Osaka separately confirmed to us that he felt increasingly confident that -- largely thanks to Komeito -- Harada would emerge the winner. Nonetheless, it is still Otani's race to lose at this point.

RUSSEL